

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 25, 2009  
**POSITION:** Neutral

**BILL NUMBER:** SB 37  
**AUTHOR:** T. Strickland  
**RELATED BILLS:** AB 232 (Hill, 2009)

### **BILL SUMMARY:** State Employees: Statement of Deductions

This bill would provide state employees participating in the direct deposit program a copy of their statement of earnings and deductions by an electronic method unless the employee requests, in writing, to receive a paper version of the statement. This bill would become effective only when the State Controller's Office (SCO) has developed the required technical capability through a new software system.

### **FISCAL SUMMARY**

This bill continues the requirement in existing law that the provision of the electronic statement of deductions shall be contingent upon the funding and implementation of the SCO's new 21<sup>st</sup> Century Project. This ongoing project will result in an integrated human resource management system that will replace the existing payroll, employment history, position management, and leave accounting systems. Once a system is operable, the SCO estimates that eliminating the printing and distribution of over 288,060 monthly Statement of Earnings could result in an annual savings of \$162,074 for the SCO and \$3,709,107 for the remainder of the state departments. Those savings would be from various funding sources.

### **COMMENTS**

Finance has a neutral position for the following reasons:

- By providing electronic statements of earnings and deduction, this bill may streamline costs once the SCO completes implementation of a new payroll system. It is currently unknown when the system will be completed.
- The SCO indicates the new system will be able to accommodate the required changes and provide an electronic statement of itemized earnings and deductions.

Assembly Bill 232 (Hill, 2009) would allow the California State Teachers Retirement System to not mail a copy of benefit payment information when payments are made by electronic funds transfer, unless there is a change in the net amount. This bill is currently in enrolled status.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the April 1, 2009 version are minor and do not alter our position.

Analyst/Principal (0190) O. Chaves	Date	Program Budget Manager Veronica Chung-Ng	Date
---------------------------------------	------	---------------------------------------------	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
----------------------	-----------------------------

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

T. Strickland

June 25, 2009

SB 37

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
0840/Controller	SO	No	-----	See Fiscal Summary	-----				0001
0840/Controller	SO	No	-----	See Fiscal Summary	-----				0494
0840/Controller	SO	No	-----	See Fiscal Summary	-----				0797
0840/Controller	SO	No	-----	See Fiscal Summary	-----				0988
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0001
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0494
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0797
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0988

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0494	Other - Unallocated Special Funds
0797	Unallocated Bond Funds - Select
0988	Other - Unallocated NGC Funds